

WEIL, GOTSHAL & MANGES LLP

767 FIFTH AVENUE • NEW YORK, NY 10153-0119

(212) 310-8000

FAX: (212) 310-8007

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PEETER GRUENBERGER
DIRECT LINE 212-310-8555
peter.gruenberger@weil.com

June 14, 2010

VIA HAND DELIVERY

Honorable James M. Peck
United States Bankruptcy Judge
United States Bankruptcy Court
One Bowling Green
New York, NY 10004

**Re: ADR Procedures Order dated 9/17/09 (“Order”)
Seventh Status Report**

Dear Judge Peck:

The three Mediators have requested again, your Honor, that I submit this monthly report (the seventh) to the Court pursuant to Order ¶ 13. Debtors will file this report on the docket in advance of the June 16 omnibus hearing.

In the just-ended 31-day period, Debtors have served nine additional ADR Notices on ten additional counterparties, bringing the total number of such notices served to 56 on 80 counterparties. Also in the immediately past reporting period, Debtors achieved settlements in principle with counterparties in nine additional ADR matters, four as a result of mediations and five during the ADR process preceding mediation. Upon closing of these settlements, Debtors will have settled 18 ADR matters involving

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24 counterparties and received a total of \$135,519,037 new dollars for the Debtors' estates.

To date, of the nine ADR matters that have reached the mediation stage, eight have been settled in mediation. No mediation has yet terminated without settlement. Seven additional mediations have been scheduled to commence on the following dates: June 22 and 23, July 1, 7, 9 and 28 (two).

Respectfully submitted,



Peter Gruenberger
WEIL, GOTSHAL & MANGES LLP
Attorneys for Debtors
and Debtors in Possession

PG:mp

cc: James Freund, Esq.
David Geronemus, Esq.
Ralph Mabey, Esq.
David Cohen, Esq.
(all cc's via E-mail)